

**TOWN OF LECOMPTE
LECOMPTE, LOUISIANA**

JUNE 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-6-05

**TOWN OF LECOMPTE, LOUISIANA
ANNUAL FINANCIAL REPORT**

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INDEPENDENT AUDITORS' REPORT

The Honorable Rosa Jones, Mayor,
and Board of Aldermen
Town of Lecompte
Lecompte, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lecompte, Louisiana as of and for the year ended June 30, 2004, which collectively comprise the Town's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Town of Lecompte, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lecompte, Louisiana, at June 30, 2004, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.



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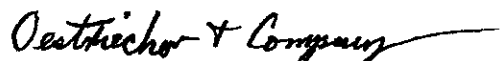


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Emile P. Oestriecher, III, CPA
Registered Representative

The Management's Discussion and Analysis on pages 3 through 7 and the Budgetary Comparison Schedule on page 29 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2005, on our consideration of the Town of Lecompte, Louisiana's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.


OESTRICHER & COMPANY
Certified Public Accountants

March 31, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Lecompte

Management's Discussion and Analysis

The Town of Lecompte's (the Town) discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues (b) provide the reader with an overview of the Town's financial activity, (c) identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

Financial Highlights

The Town has net assets of \$1,798,187 for Governmental activities as of June 30, 2004.

The Town received \$897,486 in fees for the fiscal year end, and incurred expenses of \$896,734 for governmental activities. The Town received grant funds in the amount of \$10,490 for the fiscal year end.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Town's basic financial statements. The basic financial statements include: (1) government wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide Financial Statements

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first government-wide financial statement is the *Statement of Net Assets*. This statement presents all of the Town's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may indicate whether the financial condition of the Town is improving or deteriorating.

The second government-wide financial statement is the *Statement of Activities* which reports how the Town's net assets changes during the current fiscal year. All current revenues and expenses are included regardless of when cash is received or paid.

Both of the government-wide financial statements report activities that are primarily supported by fees received from the Mayor's Court, the Rapides Parish Police Jury,

utilities agreements, property taxes, and licenses and permits. The Town does not participate in any business-type activities. The Town does not have any component units.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is different with fund financial statements providing a distinct view of the Town's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

Financial Analysis of the Town of Lecompte as a Whole

The Town implemented the new financial reporting model used in this report beginning with the current fiscal year ending June 30, 2004.

The financial analysis will not detail comparisons with prior years since this is the first year of implementation of the new reporting model.

The Town's net assets as of June 30, 2004 are \$1,798,187. The following is a summary of the Town's net assets, all of which are governmental activities:

	Governmental Activities
Cash	\$ 487,179
Receivables, net of allowance	38,113
Due from governmental units	41,596
Capital assets	<u>1,276,054</u>
Total assets	<u>1,842,942</u>
Liabilities	<u>44,755</u>
Net assets:	
Invested in capital assets	1,276,054
Unrestricted	<u>522,133</u>
Total net assets	<u>\$ 1,842,942</u>

The Town's net assets are sufficient for funding the operations of the Town, and the Town currently has no long-term or short-term debt. All liabilities are short term accounts payable, payroll taxes withheld, and amounts due to other governmental agencies.

The Town received \$156,478 in fees from the Mayor's Court and user fees of \$162,868. Total expenses for the fiscal year were \$857,031. The revenue for the Town is dependant upon fees from the one cent sales tax, one-half cent sales tax, police fines, licenses and permits, utilities agreements, and property taxes. Some fees are established or limited by state statute and town ordinances.

Financial Analysis of the Town of Lecompte's Funds

As discussed earlier, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable funds focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements.

Governmental funds reported ending fund balances of \$522,133. This entire balance is unreserved and is available for future expenditures.

Major governmental funds

The General Fund is the primary operating fund of the Town, and has an unrestricted and undesignated fund balance of \$316,735.

Capital Assets

The Town's investment in capital assets, net of depreciation is \$1,276,054 for governmental type funds. A summary of capital assets are as follows:

	Governmental <u>Activities</u>
Depreciable assets:	
Land	\$ 20,143
Buildings	52,412
Building improvements	346,469
Vehicles and equipment	666,271
Street, parking, and other	3,593,442
Accumulated depreciation	<u>(3,402,683)</u>
Assets, net of depreciation	<u>\$ 1,276,054</u>

Economic Factors

The operations of the Town of Lecompte are affected by economic conditions. The Town derives its revenues solely from fees listed on the previous page. The Town has maintained a stable population and hopefully in the future the economic status will improve.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Town of Lecompte, Louisiana
Statement of Net Assets
June 30, 2004

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash	\$ 487,179	\$ -	\$ 487,179
Receivables, net of allowance	38,113	-	38,113
Due from other governmental units	41,596	-	41,596
Capital assets, net of accumulated depreciation	1,276,054	-	1,276,054
Total assets	<u>\$ 1,842,942</u>	<u>-</u>	<u>\$ 1,842,942</u>
<u>Liabilities</u>			
Liabilities:			
Accounts payable	\$ 31,029	\$ -	\$ 31,029
Other liabilities	13,726	-	13,726
Total liabilities	<u>\$ 44,755</u>	<u>-</u>	<u>\$ 44,755</u>
<u>Net Assets</u>			
Unrestricted	1,798,187	-	1,798,187
Total net assets	<u>\$ 1,798,187</u>	<u>-</u>	<u>\$ 1,798,187</u>

The notes to the financial statements are an integral part of this statement.

Town of Leecompte, Louisiana
Statement of Activities
For The Year Ended June 30, 2004

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government</u>		<u>Total</u>
				<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
GOVERNMENTAL ACTIVITIES						
Primary Government						
Governmental activities						
General fund	\$ 561,287	\$ 568,968	\$ 4,268	\$ 11,949	\$ -	\$ 11,949
Capital projects	17,539	10,836	-	(6,703)	-	(6,703)
Special revenue	317,908	317,682	6,222	5,996	-	5,996
Total governmental activities	<u>896,734</u>	<u>897,486</u>	<u>10,490</u>	<u>11,242</u>	<u>-</u>	<u>11,242</u>
Total primary government	<u>\$ 896,734</u>	<u>\$ 897,486</u>	<u>\$ 10,490</u>	<u>\$ 11,242</u>	<u>\$ -</u>	<u>\$ 11,242</u>
Change in net assets for the year						
Net assets-beginning of year				\$ 11,242	-	\$ 11,242
Net assets-ending of year				<u>1,786,945</u>	<u>-</u>	<u>1,786,945</u>
				<u>\$ 1,798,187</u>	<u>\$ -</u>	<u>\$ 1,798,187</u>

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

Town of Lecompte, Louisiana
Balance Sheet
Governmental Funds
June 30, 2004

	<u>General</u>	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash	\$ 262,309	\$ 7,465	\$217,405	\$ 487,179
Receivables, net of allowance	15,295	-	22,818	38,113
Due from other funds	30,860	-	-	30,860
Due from other governmental units	31,488	-	10,108	41,596
Total assets	<u>\$ 339,952</u>	<u>\$ 7,465</u>	<u>\$250,331</u>	<u>\$ 597,748</u>
<u>Liabilities and fund balance</u>				
Liabilities:				
Accounts payable	\$ 9,491	\$ -	\$ 21,538	\$ 31,029
Due to other funds	-	7,108	23,752	30,860
Other liabilities	13,726	-	-	13,726
Total liabilities	<u>23,217</u>	<u>7,108</u>	<u>45,290</u>	<u>75,615</u>
Fund balance:				
Unreserved	316,735	357	205,041	522,133
Total fund balances	<u>316,735</u>	<u>357</u>	<u>205,041</u>	<u>522,133</u>
Total liabilities and fund equity	<u>\$ 339,952</u>	<u>\$ 7,465</u>	<u>\$250,331</u>	<u>\$ 597,748</u>

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Balance Sheet
of Governmental Funds
to the Statement of Net Assets
June 30, 2004**

Total fund balance-total governmental funds	\$ 522,133
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Capital assets of \$4,678,739 net of accumulated depreciation of (\$3,402,685), are not financial resources and, therefore, are not reported in the funds.	<u>1,276,054</u>
	<u>1,276,054</u>
Net assets of governmental activities	<u>\$ 1,798,187</u>

The notes to the financial statements are an integral part of this statement.

Town of Lecompte, Louisiana
Statement of Revenues, Expenditures, and Changes
in Fund Balances-Governmental Funds
For the year ended June 30, 2004

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$224,694	\$ 10,836	\$ 152,745	\$ 388,275
Licenses and permits	80,225	-	-	80,225
Intergovernmental	5,427	-	-	5,427
User fees	-	-	162,868	162,868
Utility agreements	67,246	-	-	67,246
Fines and forfeitures	156,478	-	-	156,478
Other	34,898	-	2,069	36,967
Total revenues	<u>568,968</u>	<u>10,836</u>	<u>317,682</u>	<u>897,486</u>
Expenditures:				
Current:				
General and administrative	247,261	5,871	263,789	516,921
Fire protection	-	-	14,672	14,672
Police protection	175,080	-	218	175,298
Highways and streets	84,698	8,133	-	92,831
Capital outlay	35,759	735	20,815	57,309
Total expenditures	<u>542,798</u>	<u>14,739</u>	<u>299,494</u>	<u>857,031</u>
Excess of revenues over (under) expenditures	26,170	(3,903)	18,188	40,455
Other financing sources(uses):				
Grant proceeds	4,268	-	6,222	10,490
Total other sources:	<u>4,268</u>	<u>-</u>	<u>6,222</u>	<u>10,490</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	30,438	(3,903)	24,410	50,945
Fund balances, beginning	286,297	4,260	180,631	471,188
Fund balances, ending	<u>\$316,735</u>	<u>\$ 357</u>	<u>\$ 205,041</u>	<u>\$ 522,133</u>

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Statement of
Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities
For the year ended June 30, 2004**

Net changes in fund balances-total governmental funds \$ 50,945
Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital expenditures	57,295
Depreciation expense	<u>(96,998)</u>

Change in net assets of governmental activities	<u>\$ 11,242</u>
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The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Town of Lecompte, Louisiana (the Town) was incorporated February 24, 1904 under the provisions of Louisiana law. The Town operates under the Lawrason Act with a Mayor - Board of Aldermen form of government and provides the following functions to its citizenry: public safety (police and fire protection), highways and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accounting and reporting practices of the Town conform to generally accepted accounting principles(GAAP) as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Municipal Audit and Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*. The following is a summary of certain significant accounting policies and practices:

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities from business-type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Fund Financial Statements

Fund financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns.

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2004

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL
STATEMENT PRESENTATION**

Reporting Entity - In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GAAP. The basic, but not only criterion, for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Governmental Funds -

General Fund - The General Fund is the general main operating fund of the Town. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted for a specific purpose are accounted for in this fund.

Capital Projects Funds-Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities being financed from general obligation bond proceeds, grants, or transfers from other funds.

Special Revenue Funds-Special revenue funds are used to account for the proceeds of specific revenue sources restricted to expenditures for specific purposes.

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2004

Basis of Accounting

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds).

Governmental fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

Encumbrances

The Town does not record encumbrances in its accounting system.

Budgets and Budgetary Accounting

The Town Charter establishes the fiscal year as the twelve-month period beginning July 1. The procedures detailed below are followed in establishing the budgetary data reflected in the financial statements.

The City Clerk and Mayor prepare a proposed budget based on an estimate of the revenues expected to be received in the next fiscal year and submits the proposal to the Board of Aldermen no later than fifteen days prior to the beginning of the fiscal year. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2004

Budgetary amounts are as originally adopted, or as amended by the Board of Aldermen. All budgetary appropriations lapse at the end of the fiscal year.

Assets and Liabilities

Cash and cash equivalents - For reporting purposes, cash and cash equivalents (restricted and unrestricted) includes all cash on hand, cash in bank accounts, certificates of deposit, and highly liquid investments maturing in three months or less. Cash restricted for payment as required by law, contract, or agreement is reported separately in the financial statements.

Receivables - All receivables are reported at the gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Interfund receivables and payables - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Due from other governmental units - Receivables from other governmental units represent collections of various revenues which are expected to be submitted within sixty days after the close of the fiscal year.

Property, plant and equipment - The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus.

All government fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

All capital assets are stated at historical cost. Historical costs include not only the purchase price and construction costs, but also ancillary charges to place the asset in its intended location and condition for use. Capital assets are depreciated using the straight-line method over their estimated useful lives.

Compensated absences - The Town does not accumulate unpaid vacation, sick pay, and other employee benefit amount amounts because employees are not allowed to carry over significant amounts.

TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

June 30, 2004

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS:

As of June 30, 2004, cash and cash equivalents totaled \$487,179 (book balance) and \$495,083 (bank balance), all of which is classified as unrestricted. Cash balances are insured to Federal Deposit Insurance Corporation limits and by securities with a fair market value of \$591,379, which are held by Red River Bank in the name of Town of Lecompte, Louisiana. The Town has no cash balances that were not adequately secured.

3. RECEIVABLES:

Receivables as of June 30, 2004 consisted of the following:

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Memorandum <u>Totals</u>
Interest receivable	\$ 196	\$ 92	\$ 288
Other receivables	2,268	22,726	24,994
Franchise taxes	<u>12,831</u>	<u>-0-</u>	<u>12,831</u>
	\$ <u>15,295</u>	\$ <u>22,818</u>	\$ <u>38,113</u>

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2004

4. INTERFUND RECEIVABLES AND PAYABLES:

Interfund balances as of June 30, 2004, consisted of the following:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 30,860	\$ -0-
Special Revenue Funds		
One Cent Sales Tax Fund	-0-	12,381
One-Half Cent Sales Tax Fund	-0-	7,581
Sewer Maintenance Fund	-0-	418
LCDBG Housing Project Fund	-0-	100
2001 LCDBG Fund	-0-	165
Red River Delta Grant Fund	-0-	3,107
Capital Projects Funds		
LCDBG Street Improvement Fund	-0-	100
Street Improvement Fund	<u>-0-</u>	<u>7,008</u>
Totals	<u>\$ 30,860</u>	<u>\$ 30,860</u>

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2004

5. DUE FROM OTHER GOVERNMENTAL UNITS:

Amounts due from other governmental units as of June 30, 2004 consisted of the following:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Memorandum Totals</u>
State of Louisiana				
COPS grant	\$ 14,561	\$ -0-	\$ -0-	\$ 14,561
Rapides Parish Police Jury				
Sales taxes	<u>16,927</u>	<u>10,108</u>	<u>-0-</u>	<u>27,035</u>
Totals	<u>\$ 31,488</u>	<u>\$ 10,108</u>	<u>\$ -0-</u>	<u>\$ 41,596</u>

6. CHANGES IN GENERAL FIXED ASSETS:

A summary of general fixed asset transactions for the year ended June 30, 2004 follows:

	<u>Balance June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2004</u>
Land	\$ 20,143	\$ -0-	\$ -0-	\$ 20,143
Buildings	52,412	-0-	-0-	52,412
Building improvements	339,304	7,165	-0-	346,469
Vehicles and equipment	616,141	50,130	-0-	666,271
Street, parking, and other	<u>3,593,442</u>	<u>-0-</u>	<u>-0-</u>	<u>3,593,442</u>
Totals-cost	4,621,442	57,295	-0-	4,678,737
Accumulated depreciation	<u>(3,305,685)</u>	<u>(96,998)</u>		<u>(3,402,683)</u>
Capital assets, net	<u>\$ 1,315,757</u>			<u>\$ 1,276,054</u>

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2004

7. ACCOUNTS AND OTHER PAYABLES:

The following is a summary of payables as of June 30, 2004:

	General <u>Fund</u>	Special Revenue <u>Funds</u>	Capital Projects <u>Funds</u>	Memorandum <u>Totals</u>
Accounts payable	\$ 9,491	\$ 21,538	\$ -0-	\$ 31,029
Payroll taxes	5,162	-0-	-0-	5,162
Retirement contributions	4,583	-0-	-0-	4,583
Taxes under protest	931	-0-	-0-	931
Other payables	<u>3,050</u>	<u>-0-</u>	<u>-0-</u>	<u>3,050</u>
Total	<u>\$ 23,217</u>	<u>\$ 21,538</u>	<u>\$ -0-</u>	<u>\$ 44,755</u>

8. AD VALOREM TAXES:

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31st in the year which the tax is levied. Property taxes are recognized in compliance with NCGA Interpretation 3 - (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due or past due and collected no longer than 60 days after the close of the current period.

For the year ended June 30, 2004, the Town levied 7.12 mills of taxes totaling \$25,923 and collected \$25,696, which was dedicated to the general corporate purposes of the Town.

9. ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES:

No provision has been made for uncollectible receivables since all receivables are from other governmental units and private companies that the Town historically has always collected from in a timely manner.

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2004

10. PENSION PLANS:

Substantially all employees of the Town are members of the Municipal Police Employees' Retirement System of Louisiana or the Municipal Employees' Retirement System. These systems are multiple-employer (cost-sharing) public employee retirement systems (PERS), controlled and administered by separate boards of trustees.

Municipal Employees' Retirement System of Louisiana (System) The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Town participating in the retirement system are members of Plan A. All permanent employees working at least 35 hours per week, who are not covered by another pension plan and are paid wholly or in part from municipal funds, and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each municipality, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute 9.25 percent of their annual covered salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2004

Municipal Police Employees Retirement System of Louisiana (System) All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of the final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

State statute requires covered employees to contribute 7.5 percent of their annual covered salaries to the System. As provided by Louisiana revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 929-7411.

11. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets, errors and omissions, injuries to public employees, and natural disasters. These risks of loss are covered by participation in a public entity risk pool that operates as a common insurance program and by acquiring commercial insurance coverage. Claims resulting from these risks have historically not exceeded insurance coverage.

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2004

12. INDIVIDUAL NEGATIVE FUND BALANCE

As of June 30, 2004, the Red River Delta community fund in the special revenue funds had a negative fund balance of \$2,180. The Town's management plans to liquidate this negative fund balance by getting reimbursed from the State of Louisiana through the Red River Delta Grant.

REQUIRED SUPPLEMENTARY INFORMATION

Town of LeCompte
Budgetary Comparison Schedule
All Governmental Fund Types
for the year ended June 30, 2004

	GENERAL FUND				CAPITAL PROJECTS FUNDS				SPECIAL REVENUE FUNDS			
	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Original	Final	Actual Amounts (Budgetary Basis)	Variance Favorable (Unfavorable)	Original	Final	Actual	Variance Favorable (Unfavorable)
Revenues:												
Taxes	\$ 211,700	\$ 209,096	\$ 224,694	\$ 15,598	\$ 26,000	\$ 26,000	\$ 10,836	\$ (15,164)	\$ 157,000	\$ 298,985	\$ 152,745	\$ (146,240)
Licenses and permits	52,400	51,789	80,225	28,436	-	-	-	-	-	-	-	-
Intergovernmental	9,000	5,600	5,427	(173)	-	-	-	-	-	-	-	-
Utility agreements	65,000	75,002	67,246	(7,756)	-	-	-	-	105,024	-	162,868	162,868
Fines and forfeitures	150,000	160,500	156,478	(4,022)	-	-	-	-	-	-	-	-
Recreation	250,000	-	-	-	-	-	-	-	-	-	-	-
Other	45,900	52,647	34,898	(17,749)	-	-	-	-	4,400	-	2,069	2,069
Total revenues	784,000	554,634	568,968	14,334	26,000	26,000	10,836	(15,164)	266,424	298,985	317,682	18,697
Expenditures:												
General & administrative	303,498	303,868	247,261	56,607	-	-	5,871	(5,871)	42,700	72,161	263,789	(191,628)
Fire protection	-	-	-	-	-	-	-	-	24,800	24,800	14,672	10,128
Police protection	152,750	179,570	175,080	4,490	-	-	-	-	-	-	218	(218)
Highways and streets	47,186	49,990	84,698	(34,708)	26,000	26,000	8,133	17,867	-	-	-	-
Garbage collection	-	-	-	-	-	-	-	-	75,000	75,000	-	75,000
Recreational expense	250,000	100	-	100	-	-	-	-	-	-	-	-
Sewerage maintenance	-	-	-	-	-	-	-	-	104,800	104,800	-	104,800
Repairs and maintenance	-	-	-	-	-	-	-	-	17,500	17,500	-	17,500
Capital outlay	30,000	15,800	35,759	(19,959)	-	-	735	(735)	-	-	20,815	(20,815)
Other expense	-	-	-	-	-	-	-	-	1,300	1,300	-	1,300
Total expenditures	783,434	549,328	542,798	6,530	26,000	26,000	14,739	11,261	266,100	295,561	299,494	(3,933)
Excess (deficiency) of revenues over expenditures	566	5,306	26,170	20,864	-	-	(3,903)	(3,903)	324	3,424	18,188	14,764
Other financing sources(uses):												
Grant proceeds received	-	-	4,268	4,268	-	-	-	-	-	-	6,222	6,222
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources	-	-	4,268	4,268	-	-	-	-	-	-	6,222	6,222
Excess (deficiency) of revenues and other financing sources over expenditures	566	5,306	30,438	25,132	-	-	(3,903)	(3,903)	324	3,424	24,410	20,986
Fund balances, beginning	286,297	286,297	286,297	-	4,260	4,200	4,260	-	156,423	156,423	180,631	24,208
Fund balances, ending	\$ 286,863	\$ 291,603	\$ 316,735	\$ 25,132	\$ 4,260	\$ 4,260	\$ 357	\$ (3,903)	\$ 156,747	\$ 159,847	\$ 205,041	\$ 45,194

The notes to the financial statements are an integral part of this statement.



OESTRIECHER & COMPANY

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EMILE P. OESTRIECHER, III, CPA
KURT G. OESTRIECHER, CPA
DALE P. De SELLE, CPA

Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Rosa Jones, Mayor
and Members of the Board of Aldermen
Town of Lecompte, Louisiana

We have audited the basic financial statements of Town of Lecompte, Louisiana, as of and for the year ended June 30, 2004, and have issued our report thereon dated March 31, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Lecompte, Louisiana's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item 2004-1 and 2004-2.



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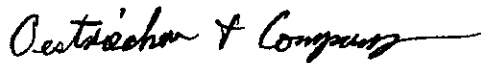
Emile P. Oestriecher, III, CPA
Registered Representative

Securities offered through H.D. Vest Investment ServicesSM.
A non-bank subsidiary of Wells Fargo & Company, Member: SIPC,
6333 North State Highway 161, Fourth Floor, Irving, Texas 75038 • (972) 870-6000

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Lecompte, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management and Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


OESTRICHER & COMPANY
Certified Public Accountants

March 31, 2005

TOWN OF LECOMPTE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2004

Section I-Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Town of Lecompte, Louisiana.
2. Two reportable conditions disclosed during the audit of the basic financial statements is reported in the Independent Auditor's Report on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the basic financial statements of The Town of Lecompte, Louisiana were disclosed during the audit.

Section II-Financial Statement Findings

Finding 2604-1

Statement of Condition - During our review of the budget to actual comparisons, we noted that actual expenditures exceeded budgeted expenditures over five percent in certain items and budgeted revenues exceeded actual revenues over five percent in certain items.

Criteria - Louisiana Revised Statute 39:1310 requires the budget to be amended if anticipated or actual revenues are expected to fail to meet budgeted revenues or other sources by five percent or more and if anticipated or actual expenditures exceed the total budgeted expenditures by five percent or more.

Effect of condition – Noncompliance with Louisiana's budget laws.

Cause of condition – Accounting personnel have made amendments to the budget as required; however reclassification of revenues and expenditures to proper accounts caused the actual revenues and expenditures to vary from the budgeted amounts in excess of five percent.

Recommendation – The town should review the budget to actual revenues and expenditures for all funds on a timely basis and amend the budget when necessary.

Questioned costs – None

Finding 2004-2

Statement of Condition – Audit report was not filed within the six month period following the end of the fiscal year.

Criteria - Louisiana Revised Statute 24:513 imposes an audit responsibility on all municipalities and establishes a time frame for the completion of these audits. Audit reports must be filed with the Legislative Auditor within six months of the close of the fiscal year.

Effect of condition – Noncompliance with Louisiana Revised Statute 24:513.

Cause of condition – The town's clerk became very ill during 2004 and was unable to perform her duties as bookkeeper.

Recommendation – The town should hire someone to take over the bookkeeping responsibilities while the current bookkeeper is ill.

Questioned costs – None

Section III-Federal Awards Findings and Questioned Costs

None

**Town of Lecompte
Lecompte, Louisiana
Management's Corrective Action Plan
For the year ended June 30, 2004**

Section I – Internal Control and Compliance Material to the Financial Statements

Finding 2004-1

During our review of the budget to actual comparisons, we noted that actual expenditures exceeded budgeted expenditures over five percent in certain items and budgeted revenues exceeded actual revenues over five percent in certain items.

Planned corrective action

The town will review the budget periodically to determine if budget amendments are necessary. As part of this review, the town will review the entries of accounts that are close to the five percent threshold, and determine if there are any correcting entries that may affect compliance with budget laws.

Finding 2004-2

The town did not file the audit report within the six month period following the end of the fiscal year.

Planned corrective action

The town will file its audit reports within the required time frame.

**Town of Lecompte
Lecompte, Louisiana
Summary Schedule of Prior Audit Findings
For the year ended June 30, 2004**

Section I - Internal Control and Compliance Material to the Financial Statements

Finding No. 2003-1-Actual expenditures exceeded budgeted expenditures over five percent and budgeted revenues exceeded actual revenues over five percent in certain items

Corrective action taken-Condition is not resolved. See current year finding 2004-1

Finding No. 2003-2-Check written in error to a vendor.

Corrective action taken-Mayor compares invoices to checks before checks are signed.

Section II - Internal Control and Compliance Material to Federal Awards

Finding No. 2003-3-Lack of segregation of duties.

Corrective action taken-A designated council member opens the bank statements.

Section III - Management Letter

No management letter was issued for the year ended June 30, 2004.